GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:231
ANSWERED ON:15.12.2008
SUGAR MILLS
Prasad Shri Hari Kewal;Renge Patil Shri Tukaram Ganpatrao

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the number of functioning and closed sugar mills in the country at present,State-wise and sector-wise;

(b) the reasons for closure of sugar mills in the public and co-operative sectors;

(c) the steps taken/proposed to be taken by the Government for revival of the said sugar mills, State-wise; and

(d) the steps taken by the Government for setting up of new sugar mills in the Country, State-wise?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c) & (d): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE STARRED QUESTION NO.231 DUE FOR ANSWER ON 15.12.2008 IN THE LOK SABHA.

(a): Sugar mills in many parts of the country normally start their crushing operation by mid-December.As such,it is too early to indicate the number of functioning and closed sugar mills in the current sugar season 2008-09.However,a statement indicating the number of functioning and closed sugar mills in the country,state-wise and sector-wise,during the sugar season 2007-08 is enclosed at Annexure-I.

(b): The main reasons for closure of sugar mills in the country include payment of high price for sugarcane,uneconomic size of the sugar mills,outdated plant and machinery,technical and managerial incompetence, etc.

(c): Action lies on the part of the State Governments to take appropriate steps to revive the closed sugar mills in public and cooperative sectors in their respective states.Action taken by State Governments as per reports received is enclosed at Annexure-II.

(d): The sugar industry has been de-licensed vide Press Note dated 31.08.1998.With de-licensing of sugar industry,entrepreneurs are free to set up new sugar mills in any part of the country as per techno-economic feasibility and commercial viability of their project by maintaining a radial distance of 15 Kms from an existing sugar mill or another new sugar mill and fulfilling the conditions as laid down in Sugarcane (Control) Order,1966.The Central Government does not extend any assistance for setting up of new sugar mills.